Referral Agent: iPEO Solutions

BDM: Jennifer Thomasson

BDM Email: jennifer.t@spli.com

BDM Phone: (904) 881-9959

Proposal Prepared for: Tulare Local Healthcare District

Proposal Date: 12/22/2017

Proposal expires in 30 days or 5 days prior to policy expiration date, whichever comes first.

Policy Expiration Date: 12/27/2017

All Proposals are Subject to Underwriting Approval
Who We Are

SouthEast Personnel Leasing, Inc. founded in 1986, is headquartered in the Tampa, Florida area. The company specializes in providing workers compensation coverage as well as alleviating their client’s employee administrative burden.

Employers today are faced with many obstacles as it relates to competitively priced workers compensation and their employee administrative burden. If your company is experiencing difficulty securing affordable workers compensation, SouthEast Personnel can be your SOLUTION.

With over 30 years of high hazard workers compensation experience, SouthEast is your partner in not only saving you money but more importantly assisting clients in creating and keeping a safe work environment.

Rely on SouthEast Personnel Leasing, Inc. to be an asset to your business. We are driven by your needs and our goal is to provide you a customized solution that fits your business. We will assemble the most comprehensive and cost effective service package designed specifically for you, your company and your employees. Along with the services provided on the following pages, and as part of the SouthEast family, you are provided a highly motivated team of trained professionals committed to providing you with the highest quality of service.
Client Services

RISK MANAGEMENT
W/C Claims Management
- Fast Claims Reporting
- Light Duty Return to Work Program
- Directing Care to Qualified Providers
- Monitors all Vendors & Providers to successfully resolve WC claims

Safety Management
- Workplace Evaluations
- Ongoing Safety Inspections
- Safety Meeting Materials
- Assistance with OSHA Reporting & Compliance

Drug Testing
- Post Accident/Reasonable Suspicion Drug Free Workplace Policy
- Department of Transportation (DOT) regulated drug &/or alcohol testing available

EMPLOYEE RELATIONS

- EEOC Compliance Services
- Americans with Disabilities Act (ADA) Compliance Services
- Fair Labor Standards Act (Wage/Hour) Compliance Services
- Employee Discharge Services
- Handling Problem Employee(s)
- Compliant and Grievance Programs

BENEFITS (Not Available in All States)
- Health Insurance (Open Access HMOs and PPOs) that are Health Care Reform compliant
- ACA Management Platform
- Minimum Essential Coverage (MEC) Plans
- National Dental & Vision Plans through MetLife®
- COBRA Administration (SPLI sponsored plans)
- 401(k) Retirement (Learn more at Blue Star Retirement)
- Financial protection policies through Lincoln Financial Group* & Transamerica®:
  - Life Insurance
  - Short and Long Term Disability
  - Accident Insurance (On or Off the Job)
  - Critical Care with Cancer Benefits
- Disability Income
- Prescription Services
- Partner Discounts
- Benefit Plus/Teledoc

HUMAN RESOURCES
SouthEast Personnel Leasing, Inc. has partnered with the national labor & employment law firm of Ogletree, Deakins, Nash, Smoak & Stewart, P.C. to provide our clients with the best possible human resource advice & legal services.

CUSTOMER SERVICE
- An assigned, personal customer service representative
- Assistance with any questions or concerns about payroll, benefits, or workers’ compensation
- As part of the “SouthEast family” you have a highly motivated team of trained professionals committed to providing you with the highest quality of service
An Introduction

THE EMPLOYEE LEASING PEO CONCEPT IS SIMPLE.

Would you rather spend your time managing every detail of your business or building the bottom line? Chances are you didn’t dream of going into business to push paper. You went into business to offer quality products and services while building financial success. Yet, if you are a typical business owner you get bogged down with managing the administrative details. Between complying with costly government regulations, workers’ compensation and employee-related matters, you have little time to focus on the things that matter to you most.

SouthEast removes the burden of time consuming and complex administrative tasks, helping business owners re-focus their energy on what they do best, building their company. SouthEast also provides effective incentives to attract and retain employees, while dramatically reducing the expensive and cumbersome aspects associated with payroll administration and workers’ compensation.
Frequent Concerns

What is a PEO?
A Professional Employer Organization (PEO), also known as an employee leasing company, is an organization that provides an integrated and cost-effective approach to the coordination of the human resources, and employer risk of its clients, by contractually assuming certain employer rights, responsibilities, and risks and by establishing and maintaining an employer relationship with the workers assigned to its clients. Businesses today need help managing increasingly complex employee-related matters such as personnel management, health benefits, workers’ compensation claims, payroll, payroll tax compliance, and unemployment insurance claims. Businesses contract with a PEO to manage these responsibilities, which then allows the client to concentrate on the revenue producing side of its operations.

Who uses a PEO?
Businesses that use the services of a PEO are interested in the aspects of their company that generate revenue. Some business examples are: restaurants, roofers, mechanics, retailers, plumbers, and many more.

What are some of the advantages of using SouthEast?

For the Employee:
• Having access to “Fortune 500” Benefits Professional Claims Services for Injured Employees
• Professional Orientation
• Professional Assistance

For the Employer:
• Lower Employee Costs
• Payroll Administration
• Employee Benefits
• Workers’ Compensation Administration
• 401(k) Administration
• Workers’ Compensation Claims Handling
• Payroll Tax Administration & Compliance
• Risk and Safety Solutions
• No Unemployment Claims to Process
• Health & Benefits (not available in all states)

How important is the relationship between a Leasing company (PEO) and it’s workers compensation carrier?
As a potential client investigating a leasing company (PEO) you want the comfort of knowing that the relationship between the PEO and the carrier is strong. In addition, the financial strength of the workers compensation carrier is an indicator as to the ability of the carrier to handle the claim. SouthEast Personnel and its’ clients are not held hostage by a third party carrier. The owners of SouthEast Personnel own Lion Insurance Company. Lion Insurance Company, an admitted “A-” Excellent (VII) rated carrier by A.M. Best and State National Insurance Company, Inc. an admitted “A” Excellent (VIII) rated carrier by A.M. Best writes SouthEast Personnel’s workers compensation policy. In short, the relationship between a PEO, its workers compensation carrier, and its rating can be critical.

What is the difference between temporary staffing services and a PEO?
A temporary staffing service recruits and hires employees and assigns them to clients to support or supplement the client’s workforce in special work situations, such as employee absences, temporary skill shortages or seasonal workloads. These workers are traditionally only a small portion of the client’s workforce. A PEO hires the clients existing employees and assigns them back. These employees can be full time, part time or seasonal workers. These workers make up the bulk of the clients workforce.
Our relationship with our clients has always been a priority and with over 30 years of payroll and workers’ compensation experience, we have the foundation you can trust and build a partnership that will improve efficiencies in your business.

www.spli.com
Employer Services and Workers Compensation
Sales Proposal

Insured: Tulare Local Healthcare District

Sales Proposal Date: 12/22/2017
DBA: Tulare Regional Medical Center
Producer: IPEO
Total # of Employees: 61
Pay Periods: 52(Weekly)

X-Modifier: 0.72
WC Discount: 0.00%
Sales Proposal Expires: 30 Days
OR 12/27/2017
5 Days Prior to Policy Expiration:

<table>
<thead>
<tr>
<th>State</th>
<th>WC Code</th>
<th>#EE</th>
<th>Payroll</th>
<th>Program Rates*</th>
<th>Total Program Cost*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>9043</td>
<td>61</td>
<td>$3,696,160</td>
<td>4.28%</td>
<td>$158,139</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>61</td>
<td>$3,696,160</td>
<td></td>
<td>$158,139</td>
</tr>
</tbody>
</table>

A 2017 State Assessment equaling 3.97% of Worker’s Compensation Billed will appear on all invoices
EPLI is $1.25 per CA employee per week

Program Broker Fee: $2,962.00
Payable to: IPEO

Audit & Set Up Fee: $1,000.00
Payable to: SouthEast Personnel Leasing, Inc.

Workers Comp per Claim Deductible: $2,500 and a Collateral of: $2,500

* Program Rates & Total Program Cost include all WC Coverage, Payroll Administration Fees & EPLI (if required)

Date: ________________________________
Client Initials: ______________________

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## CALCULATION OF ESTIMATED WORKERS COMPENSATION PREMIUM

<table>
<thead>
<tr>
<th>State</th>
<th>WC Code</th>
<th>#EE</th>
<th>Description</th>
<th>Payroll</th>
<th>Base Rates</th>
<th>WC Rates</th>
<th>EST. Annual Premium</th>
<th>EE Minimum Per Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>9043</td>
<td>61</td>
<td>Hospitals</td>
<td>$3,696,160</td>
<td>3.71</td>
<td>2.67</td>
<td>$98,732</td>
<td>$13</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>$98,732</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* With per employee per payroll WC minimums, total premium paid may be higher than shown on this proposal.

### Estimated Wages and Service Fees

<table>
<thead>
<tr>
<th>Pay Periods</th>
<th>Description</th>
<th>Before CutOffs</th>
<th>After CutOffs</th>
</tr>
</thead>
<tbody>
<tr>
<td>52(Weekly)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gross Payroll per Pay Period</td>
<td>$71,080.00</td>
<td>$71,080.00</td>
</tr>
<tr>
<td></td>
<td>Workers Compensation</td>
<td>$1,898.69</td>
<td>$1,898.69</td>
</tr>
<tr>
<td></td>
<td>Assessments and Surcharges</td>
<td>$75.38</td>
<td>$75.38</td>
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<tr>
<td></td>
<td>FICA Taxes</td>
<td>$5,437.62</td>
<td>$5,437.62</td>
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<tr>
<td></td>
<td>SUTA Taxes</td>
<td>$509.12</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>FUTA Taxes</td>
<td>$246.35</td>
<td>-</td>
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<tr>
<td></td>
<td>Administration Fee</td>
<td>$1,066.20</td>
<td>$1,066.20</td>
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<tr>
<td></td>
<td>EPLI</td>
<td>$76.25</td>
<td>$76.25</td>
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<td></td>
<td>Delivery</td>
<td>$26.00</td>
<td>$26.00</td>
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<tr>
<td></td>
<td><strong>Estimated Liability</strong></td>
<td><strong>$80,415.61</strong></td>
<td><strong>$79,660.15</strong></td>
</tr>
</tbody>
</table>

* Estimate based on payroll estimates on the Acord 130

Date: ________________________________

Client Initials: __________________________

All Proposals are Subject to Underwriting Approval

Pride Risk Solutions, Inc. | 2739 US Hwy 19 N Holiday, FL 34691 | Phone 904-880-2336 | Fax 904-880-2346
**WORKERS COMPENSATION**

<table>
<thead>
<tr>
<th>WC Minimum(s)</th>
<th>WC Deductible per Claim</th>
<th>Premium Rates</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a Weekly WC Minimum Requirement of <strong>$1,900</strong> and a Weekly EE Minimum(s) shown on previous page. If the required Weekly Minimum is not met, Insured is responsible for the difference. If both minimums are not met, Insured is responsible for the difference of whichever one is greater.</td>
<td>Workers Comp per claim deductible <strong>$2,500</strong> and a Collateral of <strong>$2,500</strong></td>
<td>Client is aware deductible per workers compensation claim will be billed on incurred losses.</td>
<td>Proposal is based on approval by the Workers Compensation Carrier</td>
</tr>
</tbody>
</table>

**Taxes:**
- **FICA Rate**: $7.65 (Social Security & Medicare) - Using the PEO's Tax ID up to Applicable Thresholds
- **FUTA Rate**: Applicable State Rate on first $7,000 per employee - Using the PEO's Tax ID (See Exhibit 'A' for Rates)
- **SUTA Rate(s)**: Dependent on State

**Service Fees**
In consideration for services rendered, Client agrees to pay service fees to SPLI in the amount set forth in the Exhibit(s), which is attached and made a part of this Agreement. The Service Fee includes, but is not limited to funds sufficient to pay and administer all wages, payroll taxes, workers compensation expenses, and benefit costs incurred by or payable to all Leased Employees. The Clients Service Fee obligation shall continue during normal periods of Leased Employee absences for vacation, sick leave, legal holidays and emergency situations. It is the intent of the Parties that the Service Fee is one charge, invoiced to Client, where the Client accepts and is satisfied with the total bill. Irrespective of what SPLI's actual liability for any component part (including, but not limited to administrative fees, payroll taxes, wages, workers' compensation expenses, benefits and other associated costs) may be irrespective of any refund, rebate, or credit which may be applicable. In addition, Client understands that the cost of the illustrative component parts enumerated above may change from time to time by the applicable state, federal government or benefit provider. The Service Fee may be increased at any time by SPLI using reasonable business judgment following, or in anticipation of, such increases.

**Payment Terms**
Bank Transfer or Wire - 3 Days Prior to Paydate with no direct deposit or 4 Days Prior with Direct Deposit

**Delivery Fee:**
Delivery Fee of $26.00 per payroll per location will be charged.

**Required to Bind Coverage**

<table>
<thead>
<tr>
<th>Broker Fee Payable to:</th>
<th>JPEO Fee :</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,962.00</td>
<td></td>
</tr>
</tbody>
</table>

**Signed Client Services Agreement**

**Signed System Generated Rate Sales Proposal | EXHIBIT "A"**

**Completed Employee Applications**

**Signed Acord 130 Form**

Please note that your Workers Compensation Coverage is not Bound until all of the above paperwork has been received and accepted by SPLI. All Paperwork needs to be submitted and payroll needs to be processed in order to provide Certificates of Insurance.

**PEO Provider:**
SouthEast Personnel Leasing ($2.3B Revenue, 5,000 Client Members) - www.southeastpersonnel.com

**Underwritten by:**
A Rated Carrier

**Policy Fee Payable to:**
SouthEast Personnel Leasing 2739 US Highway 19 N, Holiday, FL 34691

| $1,000 | Via Cashier Check/Money Order (Attn: Stacey Bouris) or Via Wire Transfer/Credit Card |

By signing I accept the terms and conditions listed above, and on EXHIBIT "A".

**Date:**

**Client Signature:**

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All Proposals are Subject to Underwriting Approval
EXHIBIT "A"
12/22/2017
Tulare Local Healthcare District

QUOTATION VALID FOR 30 DAYS OR 5 DAYS PRIOR TO POLICY EXPIRATION, WHICHEVER COMES FIRST

Total Estimated Payroll: $3,696,160  Total Number of Employees: 61

<table>
<thead>
<tr>
<th>State</th>
<th>WC Code</th>
<th>EE</th>
<th>Description</th>
<th>Modifier</th>
<th>Payroll</th>
<th>FICA</th>
<th>FUTA</th>
<th>SUTA</th>
<th>WC Rates</th>
<th>Admin Fee</th>
<th>Rate</th>
<th>Cut Off Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>9043</td>
<td>61</td>
<td>Hospitals</td>
<td>0.72</td>
<td>$3,696,160</td>
<td>7.65</td>
<td>3.00</td>
<td>6.20</td>
<td>2.67</td>
<td>1.50</td>
<td>21.02</td>
<td>11.82</td>
</tr>
</tbody>
</table>

Special Requirements

W/C Minimum
There is a Weekly WC Minimum Requirement of __$1,900_____ and a Weekly EE Minimum(s) shown on previous page. If the required Weekly Minimum is not met, Insured is responsible for the difference. If both Minimum are not met, Insured is responsible for the difference of whichever is greater.

W/C Deductible per Claim
Workers Comp per claim Deductible: ____________ $2,500_______ and a Collateral of ____________ $2,500_______

Premium and Rates
CLIENT IS AWARE THAT SHOULD THE VOLUME OF PAYROLL FALL BELOW THE ORIGINAL AMOUNT OR THERE IS A NOTABLE SHIFT IN LABOR FROM ONE CODE TO ANOTHER, AN INCREASE IN THE RATES MAY BE ASSESSED OR WORKERS COMPENSATION MINIMUMS APPLIED. CLIENT WILL BE NOTIFIED IF THIS WILL OCCUR.

Approval
Proposal is based on approval by the workers' compensation carrier

Taxes:
FICA Rate
$7.65 (Federal Social Security, Medicare and Income Tax) - Using the PEO's Tax ID

FUTA Rate
Applicable State Rate on first $7,000 per employee - Using the PEO's Tax ID (See Exhibit 'A' for Rates)

SUTA Rate(s)
Dependent on State

The workers' compensation rates above include all present and future credits and discounts relating to workers compensation coverage.

Payment Terms
Bank Transfer or Wire - 3 Days Prior to Paydate with no direct deposit or 4 Days Prior with Direct Deposit

Date: ________________________________
Client Initials: _________________________
Startup Acknowledgement

Tulare Local Healthcare District

Prospect/Client acknowledges and agrees that all funds transferred by Prospect/Client to SPLI may be retained by SPLI and/or not refunded by SPLI to Prospect/Client. These funds include, but are not limited to, funds associated with collateral, set up fees and/or fees associated with premium.

If Prospect/Client executes the SPLI proposal, transfers funds to SPLI, and then fails to run payroll, SPLI shall retain twenty-five percent of all collected funds as a penalty. This penalty fee is nonrefundable.

Additionally, SPLI shall retain all funds collected for a period of one hundred eighty days after the date the funds were originally collected by SPLI. At the conclusion of this time period, SPLI shall refund any remaining collected funds so long as no workers’ compensation claims involving an alleged employee of SPLI leased to Prospect/Client have been reported to SPLI. If a workers’ compensation claim involving an alleged employee of SPLI leased to Prospect/Client has been reported to SPLI prior to the conclusion of this time period, SPLI shall refund any remaining collected funds one hundred eighty days after the date that the last reported workers’ compensation claim involving an alleged employee of SPLI leased to Prospect/Client has been closed by SPLI’s workers’ compensation carrier/servicing agent.

Date: _______________________________________

Client Initials: ___________________________________